(a) if *not,* what would be the margin on clandestine trade due to evasion of custom duty, sales tax, octroi and also of income tax in case of income tax payee is clandestine smuggler;

(e) whether further reduction in gold import duty and relaxation on other restriction would enhance customs revenue; and

(f) whether the Department has made any assessment on above lines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V- CHANDRASEKHARA MURTHY): (a) The quantum of gold imported and duty collected during last three years is as follows:

Under passenger Baggage

Year	Qty. (In Kgs.)	Duty (Rs. in laks)—
1992-93 . .	132213	298,27
1993-94 . . .	110046	242,09
1994-95 .	189904	417,78

Under Special Import Licence

Year	Qty. (In Kgs.)	Duty (Rs in lakhs)
1992-93 . . .	..	..
1993-94 . . .	..	.
1994-95 . . .	21803	47,97

(b) Customs duty rates on import of gold as baggage in the neighbouring countries are as follows:—

(i)	Pakistan	:	2% advalorem
ii)	Bangladesh	:	300 taka per tola
(iii)	Nepal	:	5% advalorem
(iv)	Bhutan	:	25% advalorem (above free limit of 50 gms.)
v)	Maldives	:	25% advalorem
vi)	Sri Lanka	:	10% advalorem

(c) and (d) Available report indicate a profit margin of around 1 to 2 per cent of the cost of gold imported through carriers on payment of duty (at Hawala rate of exchange). This margin of profit may increase to about 6 per cent to 8 per cent if customs duty is not paid. Margin of profit due to the evasion of other taxes like Income tax, Octroi and Sales taxes will depend upon the rates of these taxes applicable as these taxes differ from person to person and place to place.

(e) and (f) No such proposal are under consideration.

Abolition of surcharge on Corporation Tax

3392. SHRI CHIMANBHAI MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he had promised abolition of surcharge on Corporation tax and the same has not been honoured in the current Budget;

(b) if so, the reasons therefor;

(c) whether it is a fact that recommended deregulation of Insurance Sector is no) effected;

(d) if so, the reasons therefor;

(e) whether it is a fact that Income Tax Act 1981 had stipulated income tax above Rs. 15,000 income:

(f) if so, whether current income tax exemption limit would be at Rs. 50,000 income level to be on par with 1981 Act;

(g) whether it is a fact that top rate of income tax at 40 per cent was suggested by Chelliah Committee;

(h) if so, the reasons for which this rate is applied above Rs. 1,20,000; and

(i) what is the number of income tax payers between Rs. 40,000 and 50,000 and the revenue earned between the slabs of Rs. 40,000 to Rs. 50,000.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHARA MURTHY): (a) and (b) In the Budget Speech of. 1994, the Finance Minister had expressed only a desire to discontinue the levy of surcharge in the cases of corporate assessees. However, the levy had to be continued due to revenue constraints.

(c) and (d) The recommendations of the Malhotra Committee on reforms in insurance sector are under consideration of the Government.

(e) and (f) According to Finance Act, 1981, income tax was not leviable where the income did not exceed Rs. 15,000. In the Finance Bill, 1995, this amount has been proposed at Rs. 40,000. Any further increase in the amount will affect revenue and consequently the share of the States in the revenue-

(g) and (h) The Chelliah Committee had recommended the maximum marginal rate of fixation at 40 per cent on income exceeding Rs 2,00,010. The Finance Bill, 1995 propose; to levy tax at the aforesaid late on income exceeding Rs. 1,20,000. This limit has been kept at Rs. 120.000 because of revenue constraints.

(i) No such statistics are maintained in the Department.

Recommendation of UNDP

3393. SHRI CHIMANBHAI MEHTA: Will the Minister of FINANCE *be* pleased to state:

(a) whether the UNDP has recommended that 5 per cent of GDP should be spent on human priority sectors like education, health, literacy etc;

(b) What is amount the current budget has allocated on above sectors aad State and UTs budgets; and

(c) what is time span envisaged to attain UNDP goal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) The information is being collected and will be laid on the Table of the House.

(c) Does not arise.

Money invested by NRI

3394. SHRI MOHAMMED AFZAL *alias* MEEM AFZAL: Will the Minister of FINANCE be pleased to state:

(a) the steps taken by Government to protest the interest of Non-Residents who invested money in India from their foreign source on the assurance given by Government;

(b) whether the income of the Non-residents (as per the defintion of Income tax Act, 1961) which accrued or arose outside lndia from his business/other sources are liable to tax in India under the Act;.

(c) whether the Finance Minister/ CBDT issued instructions in general or particular cases to tax such income in India as per the provisions of the Income Tax Act;

(d) if s». the circumstances thereof; and

(e) if not, the action taken by the Finance Ministry/CBDT in such cases?

THE MINISTER OF STATE TN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) There is a veriety of avenues for NRI Investments in India both on a repatriable as well as non repatirable basis. Where investments are made on a repatriable basis, full repatriation of principal